



State of Tennessee

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New Report Highlights Spending on School Administration

The Tennessee Comptroller's Offices of Research and Education Accountability (OREA) has found that school districts with higher rates of administrative spending are more likely to be very small or very large districts, and to be municipal or special school districts rather than county districts.

Based on spending data from the 2012-13 school year, school districts in Tennessee spent 10.5 percent of their day-to-day expenditures (not including capital or debt service spending) on administration, which includes local school boards, central district offices including the directors of schools, and principal offices at each school. Tennessee administrative spending has increased over the past five years in relation to total spending (from 9.8 percent to 10.5 percent), but was below administrative spending rates for school districts in the Southeast and across the nation. The majority of districts' administrative spending (57 percent) is at the school level for expenditures in the principals' offices.

Individual district expenditures on administration ranged from between 6 and 17 percent of total current spending. About one-fourth of districts (33) spent more than the statewide rate of 10.5 percent on administration in 2012-13.

- Seventy percent of these higher administrative spending districts are city or special school districts, which tend to be smaller than county districts and are likely to have additional sources of local tax revenue.
- About two-thirds of the higher-spending districts fall into the bottom fifth or the top fifth of districts ranked by enrollment size.
- Seventy percent of the higher spending districts had central office administrator-to-student ratios above the statewide median of 4.4 administrators per 1,000 students enrolled.

The report did not analyze the cost-effectiveness of districts' spending, where district or school outcomes--like student academic achievement and graduation rates--would be compared in relation to administrative expenditures. Without further analysis of such outcomes, identification of above-average administrative spending by itself cannot be evaluated as appropriate or inappropriate.

OREA is an agency within the Comptroller's Office that is charged with providing accurate and objective policy research and analysis for the Tennessee General Assembly and the public.

To view the full report online, go to: <http://www.comptroller.tn.gov/OREA/>

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